



NEW YORK CITY BANKING COMMISSION

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Karen A. Cassidy, *Secretary*

NYC COUNCIL
2017 MAY 12 P 3:22
SPEAKER'S OFFICE

May 12, 2017

Honorable Melissa Mark-Viverito
Speaker, New York City Council
ATTN: Gary Altman
City Hall
New York, NY 10007

Re: FY2018 Interest Rates Recommendations for:
Early Payment (Discount) of Real Estate Taxes; and
Non-Payment of Real Estate Taxes

Dear Speaker Mark-Viverito:

Pursuant to Section 11-224.1 of the New York City Administrative Code and Section 1519(a) of the New York City Charter, at its meeting on May 11, 2017, the NYC Banking Commission approved resolutions recommending to the City Council the following proposed FY2018 interest rates for the discount rate for early real estate tax payments and the rates for non-payment of real estate taxes:

- a. One-half of one percent (**0.5%**) discount per annum for early payment of real estate taxes;
- b. Six percent (**6.0%**) per annum for non-payment of taxes for real estate with an assessed value of not more than two hundred fifty thousand dollars (\$250,000.00), or not more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops;
- c. Eighteen percent (**18.0%**) per annum for non-payment of taxes for real estate with an assessed value of more than two hundred fifty thousand dollars (\$250,000.00), or more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops, or where irrespective of the assessed value, the parcel consists of vacant or unimproved land.

Attached are copies of the Banking Commission resolutions.

Sincerely,

Karen A. Cassidy
Assistant Commissioner and Treasurer
NYC Department of Finance

Attachment

Cc: Honorable Bill de Blasio
Comptroller Scott M. Stringer
Commissioner Jacques Jiha, Ph.D., NYC Department of Finance
Deputy Commissioner Jeffrey Shear, NYC Department of Finance
NYC Chief Administrative Officer Laura Anglin
Assistant Comptroller for Economic Development Brian Cook

May 12, 2017
Honorable Melissa Mark-Viverito
Interest Rate Recommendations – FY2018

RESOLUTION NO. 1 – FY2018 EARLY PROPERTY TAX PAYMENT INTEREST RATE RECOMMENDATION

WHEREAS, pursuant to Section 1519(a) of the City Charter, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed discount rate for the early payment of real estate taxes, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the discount rate for the early payment of real estate taxes shall be one-half percent (0.5%) per annum for FY2018, and be it further

RESOLVED, that said discount rate is to be offered only for that portion of the real estate tax that is paid before the due date.

RESOLUTION NO. 2 – FY2018 LATE PROPERTY TAX PAYMENT INTEREST RATE RECOMMENDATION FOR PROPERTIES ASSESSED NO MORE THAN \$250,000

WHEREAS, pursuant to the New York City Administrative Code §11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth day of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, and

WHEREAS, the proposed interest rate shall be at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

WHEREAS, the Banking Commission notes that as of May 11, 2017 said prime rate stands at four per cent (4.0%), as published by the Board of Governors of the Federal Reserve System, and

WHEREAS, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all taxpayers, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of taxes for all properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, be set at six per cent (6.0%) per annum for FY2018.

RESOLUTION NO. 3 – FY2018 LATE PROPERTY TAX PAYMENT INTEREST RATE RECOMMENDATION FOR PROPERTIES ASSESSED GREATER THAN \$250,000

WHEREAS, pursuant to the New York City Administrative Code §11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth day of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of more than two hundred fifty thousand dollars (\$250,000), or more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, or where, irrespective of the assessed value, the parcel consists of vacant or unimproved land,

WHEREAS, said provisions of the Administrative Code require the Banking Commission to propose a rate at least six percentage points (6%) per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

WHEREAS, the Banking Commission notes for the record that as of May 11, 2017 said prime rate stands at four per cent (4.0%), as published by the Board of Governors of the Federal Reserve System, and

WHEREAS, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all large taxpayers, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of real estate taxes where the assessed value of a property is over two hundred fifty thousand dollars (\$250,000), or over two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, or where, irrespective of the assessed value, the parcel consists of vacant or unimproved land remains eighteen per cent (18%) per annum for FY2018.

Dated May 11, 2017

The NYC Banking Commission unanimously approved Resolutions No. 1-3.